

## UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS WELL LOG                      ELECTRIC LOGS                      FILE   X   WATER SANDS                      LOCATION INSPECTED                      SUB REPORT/abd                     DATE FILED **12-2-91**

LAND: FEE &amp; PATENTED STATE LEASE NO.

PUBLIC LEASE NO. **UTU-67194**

INDIAN

DRILLING APPROVED: **12-9-91**

SPUDED IN:

COMPLETED: **12-21-92 LA** PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED:

FIELD:

**HORSESHOE BEND**

UNIT:

COUNTY: **UINTAH**WELL NO. **FEDERAL 3-8HB**API NO. **43-047-32163**LOCATION **2078' FNL** FT. FROM (N) (S) LINE.**593' FWL**

FT. FROM (E) (W) LINE.

**SW NW**

1/4 — 1/4 SEC.

**8**

TWP.

RGE

SEC.

OPERATOR

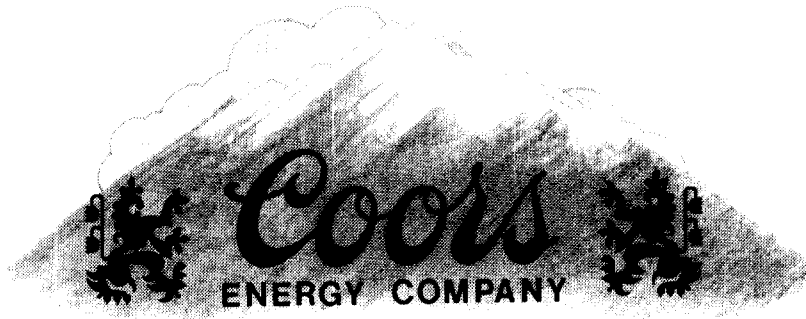
TWP.

RGE

SEC.

OPERATOR

**7S****22E****8****COORS ENERGY COMPANY**



November 27, 1991

RECEIVED

DEC 02 1991

State of Utah  
Division of Oil, Gas & Mining  
3 Triad Center, Suite 350  
355 West North Temple  
Salt Lake City, Utah 84180-1203

DIVISION OF  
OIL GAS & MINING

Attn: Mr. Ron Firth

Dear Mr. Firth:

For your approval, we have attached one copy of the APD to  
drill the following well:

Federal 3-8HB  
Section 8, T7S-R22E  
Uintah County, Utah

Please let us know if you find you will need additional  
information regarding this Application.

Thank you for your consideration.

Very truly yours,

Doug S. Sprague  
Manager  
Engineering & Operations

DSS:kr  
Attachments

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK				5. Lease Designation and Serial No. UTU-67194	
<b>1a. Type of Work</b> DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>  <b>b. Type of Well</b> Oil Well <input checked="" type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone <input type="checkbox"/>				<b>6. If Indian, Allottee or Tribe Name</b> ----- <b>7. Unit Agreement Name</b> ----- <b>8. Farm or Lease Name</b> Federal <b>9. Well No.</b> 3-8HB	
<b>2. Name of Operator</b> Coors Energy Company <b>3. Address of Operator</b> PO Box 467, Golden, Colorado 80402				<b>10. Field and Pool, or Wildcat</b> Wildcat Houma Bend <b>11. 00, Sec., T., R., N., or S., and Survey or Area</b> Sec. 8, T7S-R22E	
<b>4. Location of Well (Report location clearly and in accordance with any State requirements.)*</b> At surface 2078'FNL, 593'FWL, SW/NW At proposed prod. zone same				<b>12. County or Parrish</b> Uintah <b>13. State</b> Utah	
<b>14. Distance in miles and direction from nearest town or post office*</b> approximately 17 miles south of Vernal, Utah				<b>15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. line, if any)</b> 562'	
<b>16. No. of acres in lease</b> 1,256.26				<b>17. No. of acres assigned to this well</b> 40	
<b>18. Distance from proposed location* to nearest well, drilling, completed, or applied for, on this lease, ft.</b> 2900'				<b>19. Proposed depth</b> 6725' <i>GRV JTA</i> <b>20. Rotary or cable tools</b> rotary	
<b>21. Elevations (Show whether DF, RT, GR, etc.)</b> 4956'GL				<b>22. Approx. date work will start*</b>  	
<b>23. PROPOSED CASING AND CEMENTING PROGRAM</b>					
Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement	
12-1/4"	8-5/8"	24.00#/K55 STC	350'	300 sks. approx.	
7-7/8"	5-1/2"	15.50#/K55 STC	6725'	1200 sks. approx.	

See Multipoint and Drilling Program for details.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. I hereby certify that this report is true and complete to the best of my knowledge.

Signed: D. S. Sprague      Title: Manager - Engineering/Operations      Date: 11/14/91  
 (This space for Federal or State office use)

API NO. 43-047-301123      Approval Date \_\_\_\_\_

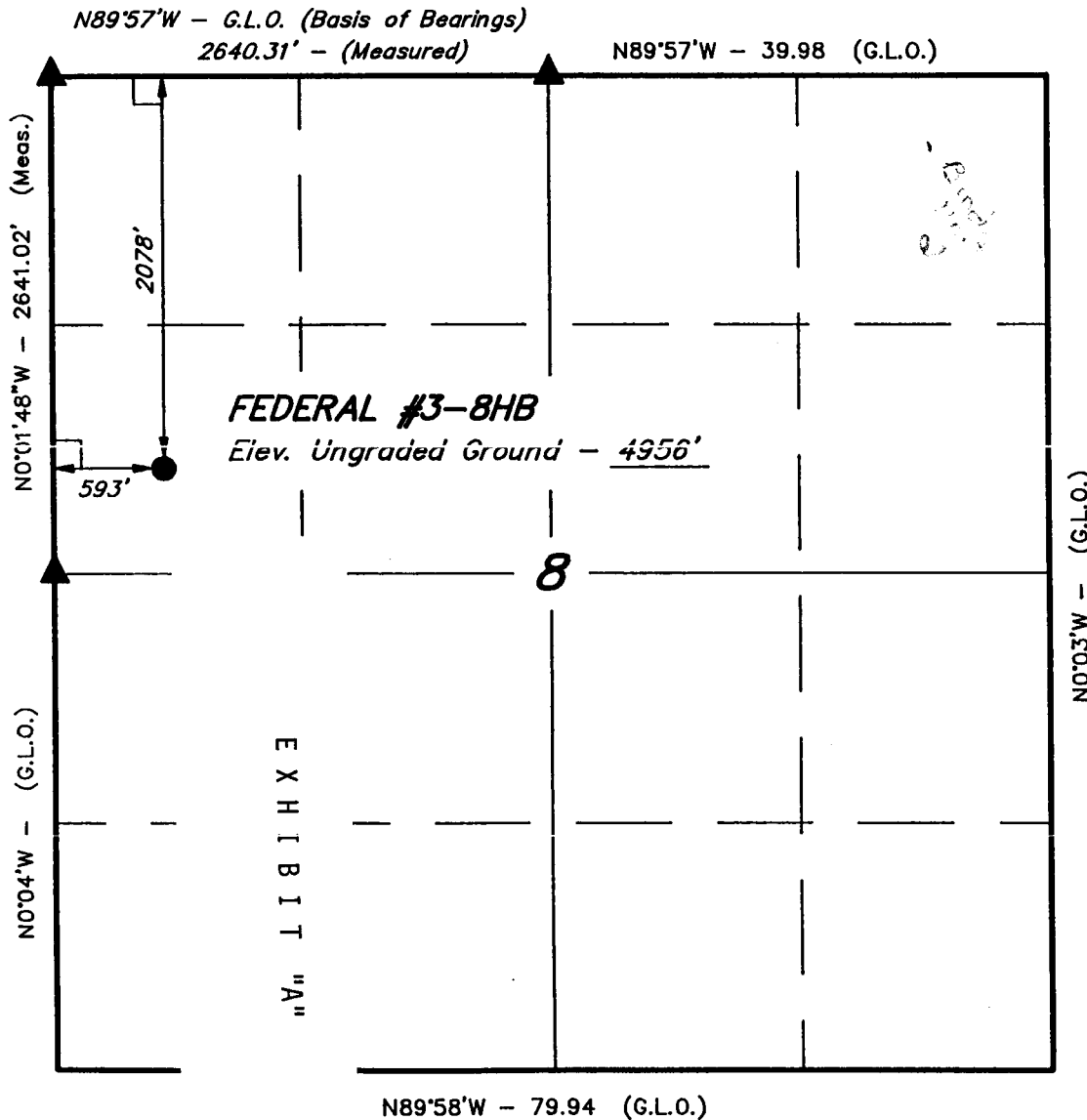
Approved by \_\_\_\_\_ Title: \_\_\_\_\_

Conditions of approval, if any:

APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING  
DATE: 12-9-91  
BY: J. Matthews  
WELL SPACING: 615-3-2

\*See Instructions On Reverse Side

**T7S, R22E, S.L.B.&M.**



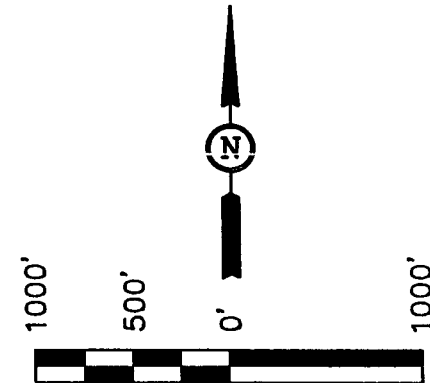
▲ = SECTION CORNERS LOCATED. (Brass Caps)

**COORS ENERGY CO.**

Well location, FEDERAL #3-8HB, located as shown in the SW 1/4 NW 1/4 of Section 8, T7S, R22E, S.L.B.&M. Uintah County, Utah.

**BASIS OF ELEVATION**

BENCH MARK 39EAM LOCATED IN THE NE 1/4 OF SECTION 5, T7S, R22E, S.L.B.&M. TAKEN FROM THE RED WASH NW QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4997 FEET.



SCALE

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

*Robert L. K...*  
REGISTERED LAND SURVEYOR  
REGISTRATION NO. 5789  
STATE OF UTAH

**UINTAH ENGINEERING & LAND SURVEYING**  
P. O. BOX 1758 - 85 SOUTH - 200 EAST  
VERNAL, UTAH - 84078

SCALE 1" = 1000'	DATE 10-22-91
PARTY G.S. B.B. R.E.H.	REFERENCES G.L.O. PLAT
WEATHER WARM	FILE COORS ENERGY CO.

MULTIPOINT SURFACE USE PLAN  
COORS ENERGY COMPANY  
FEDERAL 3-8HB  
SECTION 8, T7S-R22E, SW/NW  
UINTAH COUNTY, UTAH

Coors Energy Company will assure that this APD will be provided to the dirt contractor and will also be posted in the doghouse of the drilling rig during the drilling of this well. A sign will be posted at the entrance to the location with the name of the well, operator and location description. We will notify the BLM in Vernal, Utah between 24 and 48 hours prior to beginning any dirt work on this land and prior to moving in the drilling rig.

1. EXISTING ROADS - See Exhibits "C" and "D"

Access to the Federal 3-8HB begins at the City of Vernal, Utah and proceeds along the following roads with approximate mileages as follows:

Proceed southerly out of Vernal, Utah on the new Power Plant Red Wash Highway for approximately 16.9 miles, turn right (west) on Stirrup Road and travel southwesterly for approximately 4.2 miles, then turn south onto an existing road for 0.7 miles and then onto the access road to the well location.

Upgraded existing roads will be constructed with an 18' road surface with bar ditches and water bars where required. Not over 30' will be cleared to upgrade any existing roads.

2. PLANNED ACCESS ROAD - See Exhibits "C" and "D"

The new access road will be approximately 0.9 miles long. The access road will have a 30' ROW with an 18' running surface maximum. The maximum grade will be 4% and, no turnouts are required. Barrow ditches and water bars will be used for drainage as needed. No bridges are required nor are gates, turnouts, cattle guards or fence cuts. Source of surfacing material will be from the access road soils and subsoils. All travel will be confined to existing access road right-of-ways. The access road surface owner is the Federal Government.

The road shall be constructed/upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Construction/upgrading shall include ditching, draining, graveling, crowning, and capping the roadbed as necessary to provide a well constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot right-of-way will not be allowed. Road drainage crossings shall be of the typical dry creek drainage crossing type.

Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

Access roads and surface disturbing activities will conform to standards outlined in the BLM & Forest Service Publication (1989) - Surface Operating Standards for Oil and Gas Development.

3. LOCATION OF EXISTING WELLS - See Exhibit "E"

Within a 1-mile radius of this proposed well, there are no producing wells:

There is one SI well: Bend Unit #2

There are two P&A wells: Bernolfo #1 and Cities South Bend Federal #1

With the exception of the above mentioned wells, there are no:

- a) known water wells
- b) temporarily abandoned wells
- c) disposal wells
- d) injection wells
- e) monitoring or observation wells

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES - See Exhibit "B"

If the well is a producer, at the time of well completion, a Sundry Notice along with a drawing of the pad site and production facilities will be submitted to the BLM by our Vernal office for approval.

All production facilities will be painted in an earth color - i.e. Desert Tan, unless specified differently by the Surface Owner, within six (6) months of when they are put in place.

For drilling operations, a survey map showing rig layout is attached, See Exhibit "B". All necessary surface equipment will be spotted on the 235 x 325' well site pad. Access to the well pad will be on the northwest side of the location between Pts 8 and 9.

5. LOCATION AND TYPE OF WATER SUPPLY - See Exhibit "G"

The source of the water used to drill this well will be from the Green River. Approximately 6000 bbls of water will be required to drill and complete this well. Attached you will find a copy of the Water Permit from the State of Utah, Water Right Number 49-1491, Temporary Application Number T65253. This permit shows the water being drawn from Green River north 200' and east 2200' from the W/4 corner of Section 27, T6S-R21E. This water will be trucked by West Hazmat Trucking Company.

6. SOURCE OF CONSTRUCTION MATERIALS - See Exhibit "B"

The top 6" of topsoil will be removed from the well pad and stored on the northwest end of the location between Pts 1 and 7 and as shown on Exhibit "B". Fill materials needed to construct the location will be derived locally from cuts needed to build the well pad or from the access road.

7. METHODS FOR HANDLING WASTE DISPOSAL

Mud reserve pits will be located on the south side of the location between points B and C and will be constructed for containment of drill cuttings as well as all drilling fluids and produced fluids.

Produced waste water will be confined to a plastic lined pit to conserve water. The plastic will be a minimum of 10 mil thickness with sufficient bedding (either straw or dirt) to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit.

After first production, produced waste water will be confined to the lined pit for a period not to exceed 90 days after first production. During the 90 day period, in accordance with NTL-2B, an application for approval of a permanent disposal method and location, along with required water analysis, will be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.

When the reserve pit is abandoned, it will be allowed to dry and then back-filled and the area restored according to BLM requirements.

All garbage and trash will be placed in a trash cage and hauled to an appropriate disposal site. No burning of any trash will occur at the location. Trash, litter and construction materials will not be littered along road ways or drilling sites. A chemical toilet will be installed during drilling operations. Any disturbed area not required for producing operations will be restored according to BLM instructions.

8. ANCILLARY FACILITIES

Camp facilities or air strips will not be required.

9. WELL SITE LAYOUT - See Exhibit "B"

Attached is a diagram showing the proposed well site layout spotting the location of the reserve pit, flare pit, pipe racks, rig location, mud tanks, topsoil stockpile, access road, etc.

As can be seen on the Well Site Layout Drawing, the reserve pit will be located on the south side between Points B and C. The flare pit will be located on the south side of the rig, 150 feet from the wellhead and 75 feet from the reserve pit fence.

The stockpiled topsoil will be stored on the northwest side between Points 7 and 9. Access to the well pad will be from the northwest side between Points 8 and 9.

All pits will be fenced with a minimum of 39" net wire mesh fence and topped with at least one strand of barbed wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence. The net wire shall be no more than 2" above the ground. The barbed wire shall be 3" above the net wire. Total height of the fence shall be at least 42". Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16'. All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.

The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until clean-up.

10. PLANS FOR RESTORATION OF SURFACE - See Exhibit "B"

Upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production. Any hydrocarbons on the pit will be removed from the pit as soon as possible after drilling operations are completed.

Surface vegetation scraped off during drill site preparation will be removed and stock-piled prior to topsoil removal. Upon abandonment, vegetation will be redistributed as a mulching agent over the well site. All disturbed areas will be recontoured to the approximate natural contours.

The original surface will be reconstructed as close as possible upon abandonment. The stock-piled topsoil will be spread over the area. Any solid waste material present prior to abandonment will be removed from the location. Any harmful liquids will be removed by a pump truck to an approved disposal area.

Before any dirt work to restore the location takes place, the reserve pit will be completely dry and all trash will be removed. The pit will be reclaimed within 90 days from the date of well completion. The plastic nylon liner will be torn and perforated before backfilling of the reserve pit.

The BLM will be contacted for the recommended seed mixture prior to rehabilitation and we will notify the BLM 48 hours prior to starting these procedures.

If this well should have to be plugged and abandoned, Coors Energy Company will submit a subsequent report of abandonment to the BLM.



If the well is abandoned, the access road will be blocked during restoration and prior to reseeding, all disturbed areas including the access road, will be scarified and left with a rough surface.

11. SURFACE OWNERSHIP

The Federal Government has 100% surface ownership of the location of this well.

12. OTHER INFORMATION - See Exhibit "H"

Coors Energy Company will inform all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archeological materials are uncovered during construction, the work that might disturb such materials will stop and the authorized AO will be notified. It is understood that within 5 working days, the AO will inform Coors Energy of the action to take regarding the historical site.

Coors Energy Company will control noxious weeds along ROW for roads, pipelines and well sites according to BLM specifications.

Drilling rigs and/or equipment will not be stacked or stored on this location after the conclusion of drilling operations without BLM authorization.

It is Coors Energy Company's policy that no Coors' employees or subcontractors carry firearms on access roads nor onto the location during drilling or well completion operations of this well. No alcoholic beverages or drugs will be permitted and no prospecting will be allowed on Coors' operations.

No ROW's will be required to access this well site. Access roads constructed will be clearly marked with signs and shall be of sound construction. The signs shall state that the land is owned by the BLM, the name of the operator, and that firearms are prohibited.

The well site location will also have an appropriate sign indicating our name, the lease serial number, the well name and well legal description.

A Self-Certification Statement is included as part of this APD, see Exhibit "H"

13. LESSEE'S OR OPERATORS REPRESENTATIVE AND CERTIFICATION  
REPRESENTATIVE

Doug Sprague  
Manager, Engineering  
and/Operations  
Coors Energy Company  
P.O. Box 467  
Golden, Colorado 80402  
Phone: (303) 278-7030

Jim Simonton  
Superintendent  
Roosevelt Field Office  
Coors Energy Company  
P.O. Box 460  
Roosevelt, Utah 84066  
Phone: (801) 722-9977

CERTIFICATION

See Exhibit "F"

/kr

## DRILLING PROGRAM

Federal 3-8HB  
Section 8, T7S-R22E, SW/NW  
Uintah County, Utah  
Lease No. UTU-67194

Approval of this application does not warrant or certify that Coors Energy holds legal or equitable title to those rights in the subject lease which would entitle Coors Energy to conduct operations thereon.

All lease operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR Part 3160), Onshore Oil and Gas Orders, and the approved plan of operations. Coors Energy is fully responsible for the actions of its subcontractors. A copy of these conditions will be furnished to Jim Simonton, Coors Energy Field Supervisor, to ensure compliance.

### DRILLING PROGRAM

The duration of drilling operations for this well will be approximately 14 days.

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered.

This well will be spudded in the Uintah Formation. Oil and Gas is expected in the Uintah Formation. No aquifers or other mineral zones are anticipated. The following formation tops and their estimated depths are expected to be encountered in the drilling of this well.

Uintah "B":	2685'	Wasatch:	6465'
Green River:	3065'	TD:	6725'

Fresh water is not anticipated during the drilling of this well. All fresh water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected.

2. Pressure Control Equipment, See Exhibit "I"

Coors Energy's pressure control equipment will consist of 3000 psi double rams and an annular preventer. The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment specifications and testing procedures. See Exhibit "I" - Blowout Prevention Equipment (diagram on front side of exhibit) and the configuration drawing of 3M Choke Manifold Equipment on the backside of the Exhibit.

Ram preventers will be tested to stack working pressure when test plug is used to isolate BOP's, if not isolated BOP's will be tested to a minimum of 70% of the internal yield of the casing. Annular preventers will be tested to 50% of rated working pressure. Pressures will be maintained at least 10 minutes.

Tests will be conducted when initially installed, following repairs and at 30-day intervals. Tests will be done prior to drilling out from under all casing strings cemented in place.

Rams will be operated each trip but if more than one trip is made in a day, rams are only required to be operated on one of the trips. Each operation of rams will be recorded on the daily drilling reports.

Well control equipment will also consist of a float run in the drill string, and a full opening valve to fit the drill string will be on the rig floor at all times. Kelly cock valves will be used.

No abnormal temperature, pressures or potential hazards are expected. Maximum expected BHP is 2500 psi.

Coors Energy will notify the Vernal District Office with sufficient lead time in order to have a BLM AO present to witness pressure testing.

### 3. Casing Program and Auxiliary Equipment

Coors Energy will use the following casing and cementing program for this well:

<u>SIZE OF HOLE</u>	<u>SIZE OF CASING</u>	<u>LBS/FOOT</u>	<u>SETTING DEPTH</u>	<u>QUANTITY OF CEMENT</u>
12-1/4"	8-5/8"	24.00# K-55-STC	350'	300 sks.
7-7/8"	5-1/2"	15.50# K-55-STC	6725'	To be designed

All casing is new with 8-round threads. All casing strings below conductor will be pressure tested to 0.22 psi per foot of setting depth or 1500 psi, whichever is greater, but not to exceed 70% of minimum internal yield.

Coors Energy will notify the Vernal District Office, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.

### 4. Mud Program and Circulating Medium

Surface hole will be drilled with air if spudded with rat hole rig or a gel-lime spud mud if drilled with rotary rig.

The proposed circulating medium below surface casing will be 2% KCL water with additives as needed to control mud properties and bottom hole pressures.

No chromate additives will be used in the mud system without prior BLM approval to ensure adequate protection of fresh water aquifers.

Mud properties will be checked daily to ensure an adequate mud system is maintained.

5. Coring, Logging and Testing Program

Coors Energy will send drilling and completion progress reports to the Vernal District Office on a timely basis.

Sidewall cores may be taken in potential pay zones. A Density Neutron log will be run from 3500' to TD. A Dual Laterolog will be run from TD to surface. Coors Energy reserves the right to change the logging program.

Any Drill Stem tests (DST) that may be run, shall be accomplished during daylight hours. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight.

A cement bond log (CBL), or some other means acceptable to the authorized officer, shall be utilized to determine the top of cement (TOC) for the production casing.

Whether the well is completed as a dry hole or as a producer, a "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Copies of electric logs, core descriptions and analyses will be filed with Form 3160-4. If any further information is requested, it will be submitted when requested by the authorized officer (AO).

6. Notifications of Operations

No locations will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

Coors Energy will report the spud date orally to the AO within 48 hours after spudding. If the spudding occurs on a weekend or holiday, the report will be submitted on the following regular work day. The oral report will be followed up with a Sundry Notice.

Coors Energy shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than 5 days following the date on which the well is placed on production.

Pursuant to NTL-2B, with the approval of a District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the authorized officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

Coors Energy shall submit a schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3, and 3162.7-4 to the appropriate District Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in 43 CFR 3162.7 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.

A first production conference will be scheduled within 15 days after receipt of the first production notice.

No well abandonment operations will be commenced by Coors Energy without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

Pursuant to Onshore Oil and Gas Orders, Coors Energy has the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with State and local laws and regulations to the extent that such State and local laws are applicable to operations on Federal or Indian lands.

#### 7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the AO.

A gas allocation meter will be located on the Federal 2-10HB battery. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

In addition, the use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

Coors Energy understands there will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices will be observed. All Coors Energy's wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

Sundry Notices (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or Sundry Notice, Form 3160-5, or orally to be followed by a letter or Sundry Notice, of the date on which such production has begun or resumed."

Coors Energy understands that the date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

If Coors Energy fails to comply with this requirement in the manner and time allowed, Coors Energy will be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management act of 1982 and the implementing regulations of Title 43 CFR 3162.4-1(b)(5)(ii).

Coors Energy understands the APD approval is valid for a period of one (1) year from the signature date. An additional one (1) year approval period may be granted, if requested, prior to the expiration of the original approval period.

/kr

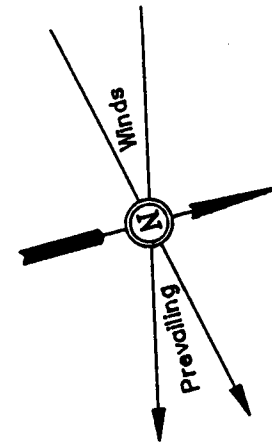


# COORS ENERGY CO.

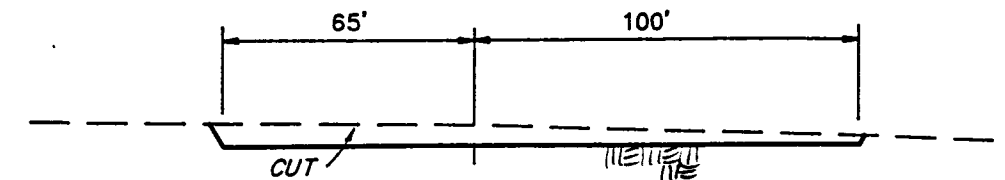
## LOCATION LAYOUT FOR

FEDERAL #3-8HB

SECTION 8, T7S, R22E, S.L.B.&M.

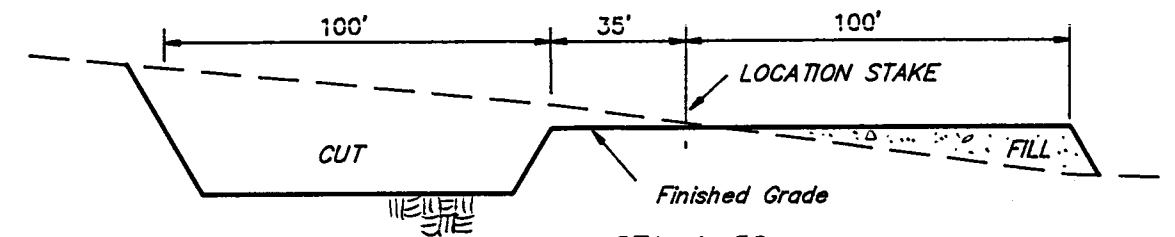


SCALE: 1" = 50'  
DATE: 10-22-91  
Drawn By: T.D.H.

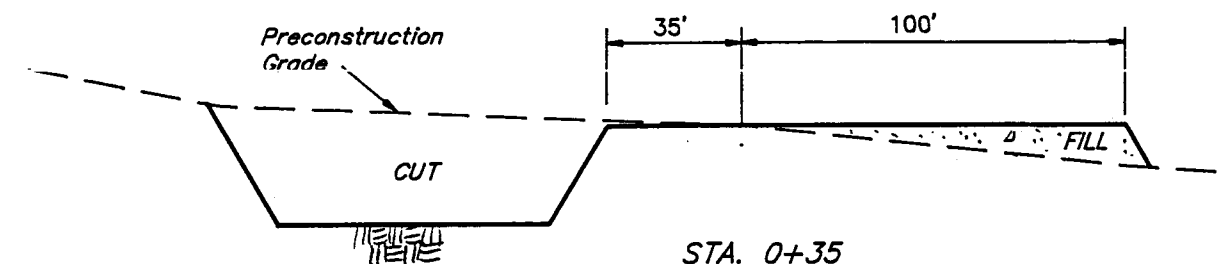


STA. 3+25

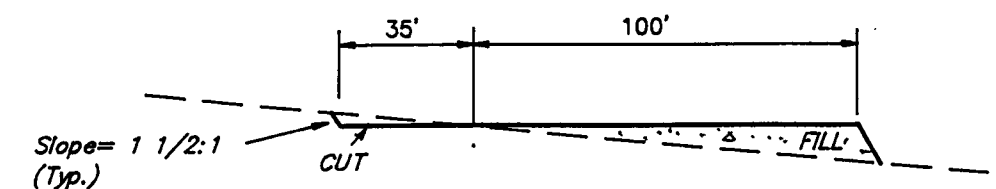
X-Section Scale  
1" = 20'  
1" = 50'



STA. 1+50



STA. 0+35



STA. 0+00

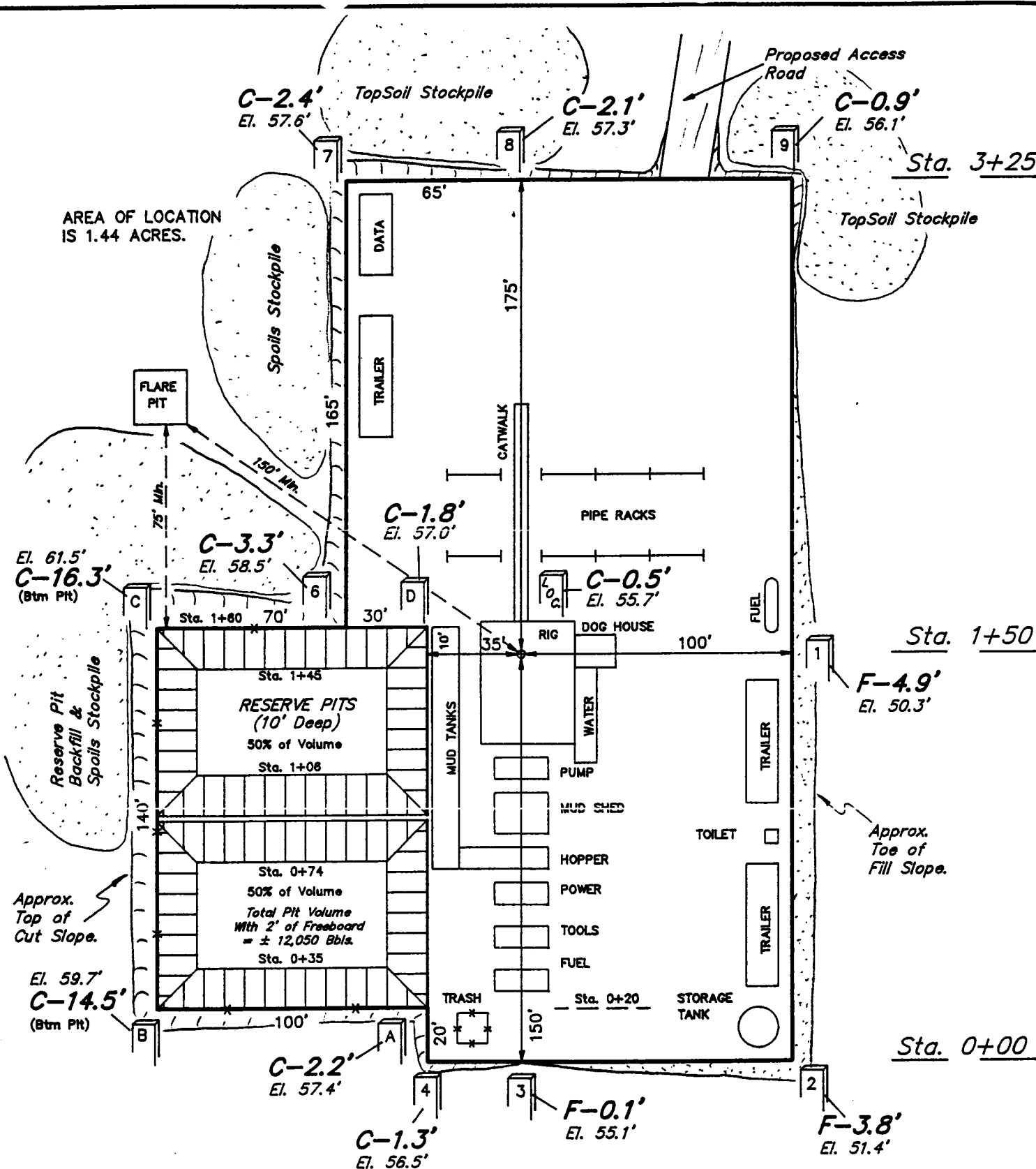
TYP. LOCATION LAYOUT  
TYP. CROSS SECTIONS

Elev. Ungraded Ground at Loc. Stake = 4955.7'

Elev. Finished Grade at Loc. Stake = 4955.2'

UINTAH ENGINEERING & LAND SURVEYING

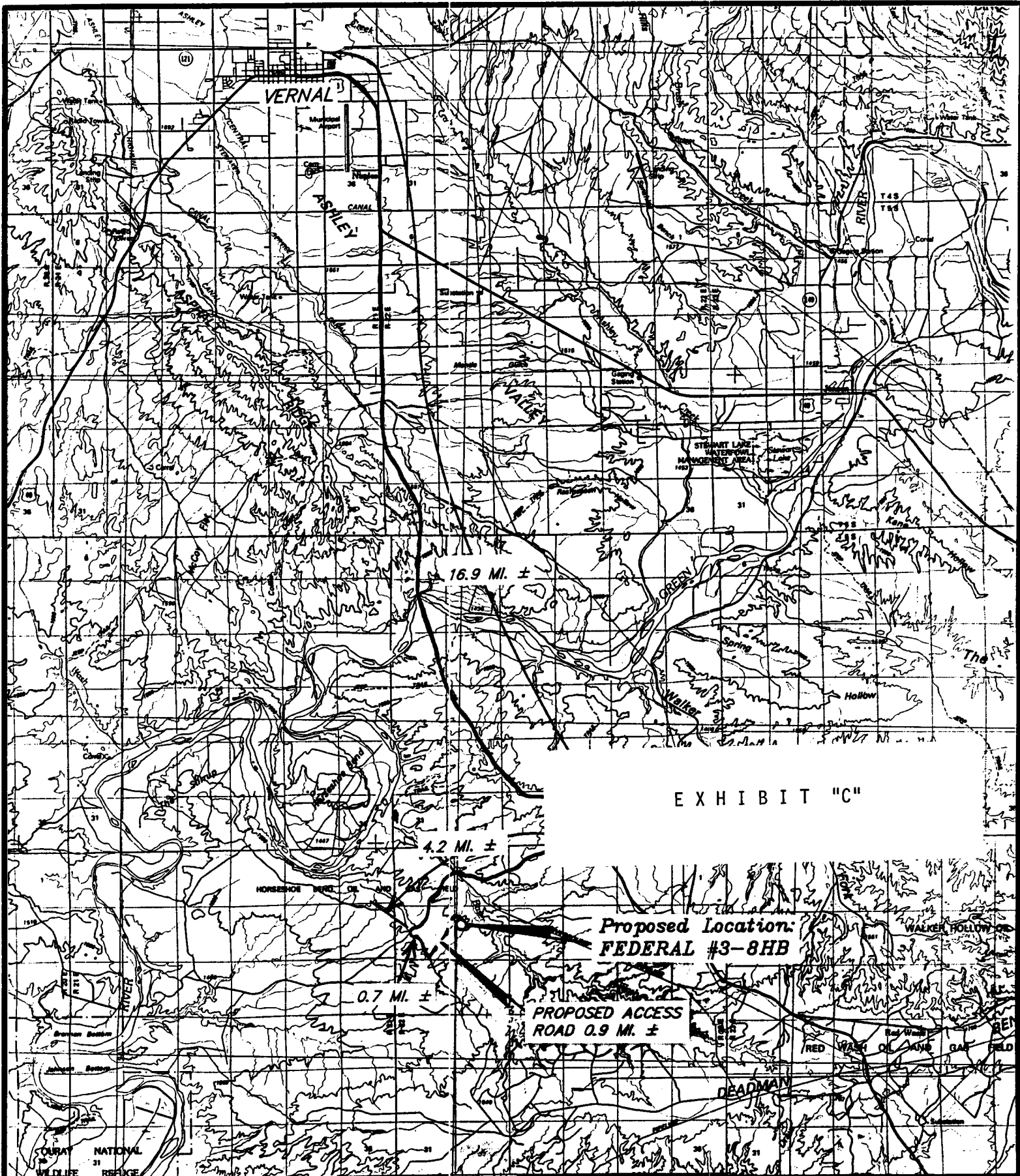
85 South 200 East Vernal, Utah



### APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,160 Cu. Yds.
Remaining Location	= 6,600 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 7,760 CU.YDS.</b>
<b>FILL</b>	<b>= 2,250 CU.YDS.</b>

EXCESS MATERIAL AFTER 5% COMPACTION	= 5,390 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,890 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 2,500 Cu. Yds.



TOPOGRAPHIC  
MAP "A"

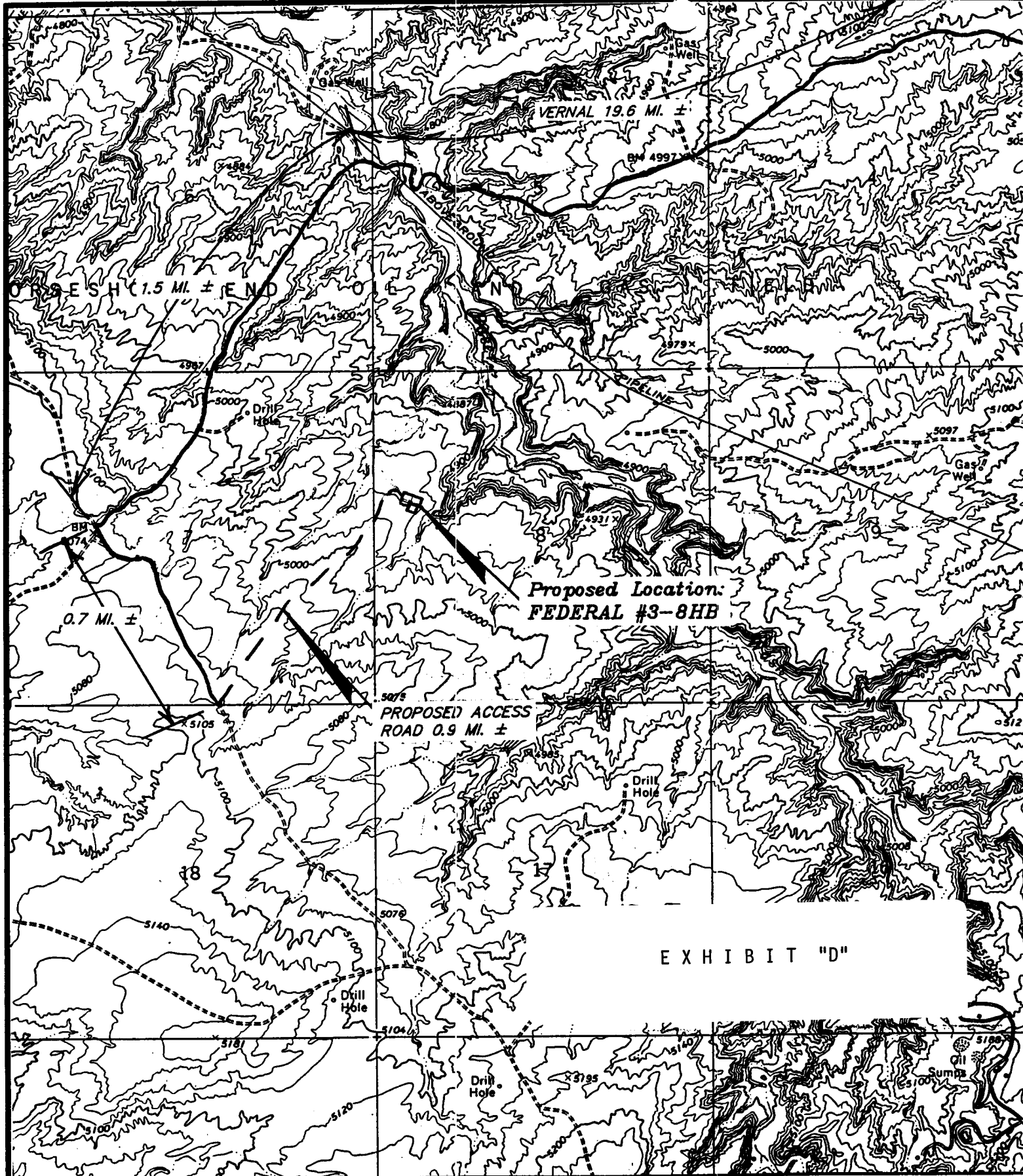
DATE 10-22-91 R.E.H.



COORS ENERGY CO.

FEDERAL #3-8HB  
SECTION 8, T7S, R22E, S.L.B.&M.

Revised 10-31-91 R.E.H.



Proposed Location:  
FEDERAL #3-8HB

PROPOSED ACCESS  
ROAD 0.9 MI. ±

EXHIBIT "D"

TOPOGRAPHIC  
MAP "B"  
SCALE: 1" = 2000'  
DATE 10-22-91 R.E.H.



**COORS ENERGY CO.**  
FEDERAL #3-8HB  
SECTION 8, T7S, R22E, S.L.B.&M.  
Revised 10-31-91 R.E.H.

400' 1 SE  
(VERNAL SE)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

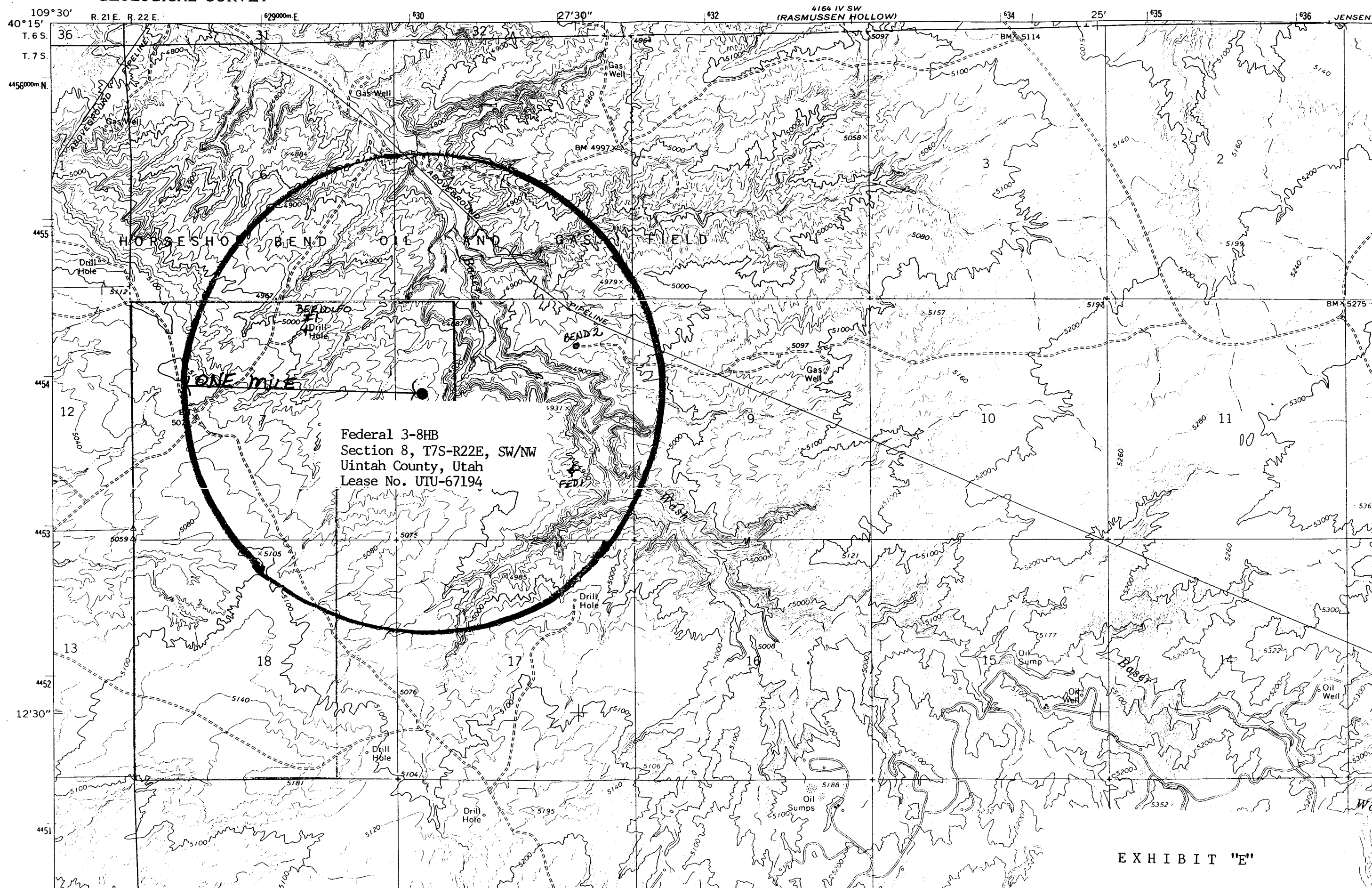
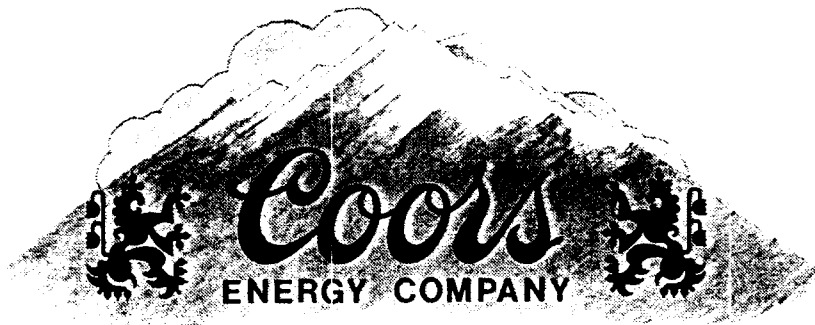


EXHIBIT "E"



CERTIFICATION BY OPERATOR'S FIELD REPRESENTATIVE

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access road; that I am familiar with the conditions that presently exist; that the statements made in this plan are, to the best of my knowledge, true, complete, and correct; and that the work associated with this plan will be carried on by Coors Energy Company, and its contractors and subcontractors, in conformity with the plan and the terms and conditions under which it is approved.

11-27-91  
Date

D.S. Sprague  
D.S. Sprague  
Manager  
Engineering and Operations

DSS:kr

E X H I B I T "F"

# FILING FOR WATER IN THE STATE OF UTAH

Rec. by \_\_\_\_\_

Fee Rec. \_\_\_\_\_

Receipt # \_\_\_\_\_

Microfilmed \_\_\_\_\_

## APPLICATION TO APPROPRIATE WATER Roll # \_\_\_\_\_

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Title 73, Chapter 3 of the Utah Code Annotated 1953, as amended.

WATER RIGHT NUMBER: 49 - 1491

TEMPORARY APPLICATION NUMBER: T65253

\*\*\*\*\*

**1. OWNERSHIP INFORMATION:**

LAND OWNED?

A. NAME: West Hazmat Trucking Company  
ADDRESS: P.O. Box 1667, Vernal, UT 84078

INTEREST: 100%

B. PRIORITY DATE: March 26, 1991

FILING DATE: March 26, 1991

**2. SOURCE INFORMATION:**

A. QUANTITY OF WATER: 8.0 acre-feet

B. DIRECT SOURCE: Gren River

COUNTY: Uintah

C. POINT OF DIVERSION -- SURFACE:

(1) N 200 feet E 2200 feet from W 1/4 corner, Section 27, T 6S, R 21E, SLBM

DIVERT WORKS: Pump into tank trucks

SOURCE: Green River

**3. WATER USE INFORMATION:**

OIL EXPLORATION: from Apr 1 to Mar 31. Oil well drilling and completion in the Stirrup Area.

\*-----\*

**4. PLACE OF USE:** (which includes all or part of the following legal subdivisions:)

BASE	TOWN	RANG	SEC	NORTH-EAST 1/4	NORTH-WEST 1/4	SOUTH-WEST 1/4	SOUTH-EAST 1/4
				NE NW SW SE	NE NW SW SE	NE NW SW SE	NE NW SW SE
SL	6S	21E		Entire TOWNSHIP			
SL	7S	21E		Entire TOWNSHIP			

**RECEIVED**

DEC 02 1991

DIVISION OF  
OIL GAS & MINING

EXHIBIT "G"

Appropriate

**5. SIGNATURE OF APPLICANT(S):**

The applicant(s) hereby acknowledge(s) that he/she/they are citizen(s) of the United States of America or intend(s) to become such a citizen(s). The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purposes herein described. The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of information contained herein, at the time of filing, rests with the applicant(s).

  
Signature of Applicant(s)

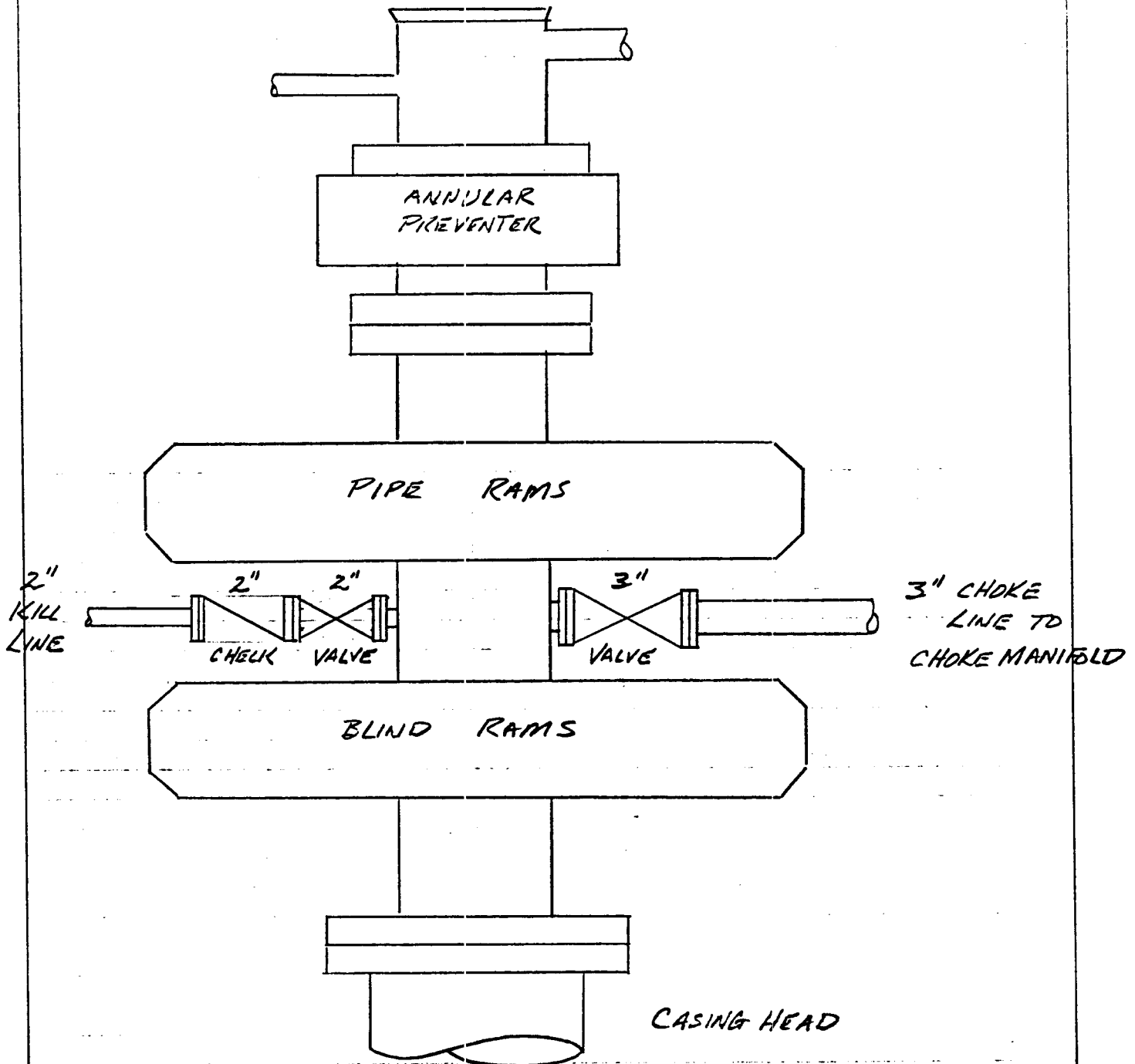
1. Self-certification statement. Under the Federal regulations in effect as of June 15, 1988, designation of operator forms are no longer required when the operator is not the 100% record title holder. An operator is now required to submit a self-certification statement to the appropriate Bureau office stating that said operator has the right to operate upon the leasehold premises. Said notification may be in the following format:

"Please be advised that Coors Energy Co. is considered to be the operator of Well No. Fed. 3-8HB; SW 1/4 NW 1/4 Section 8, Township 7S, Range 22E; Lease UTU 67194; Uintah County, Utah; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by American Casualty Company Reading, PA  
Blanket Bond C0019-BLM

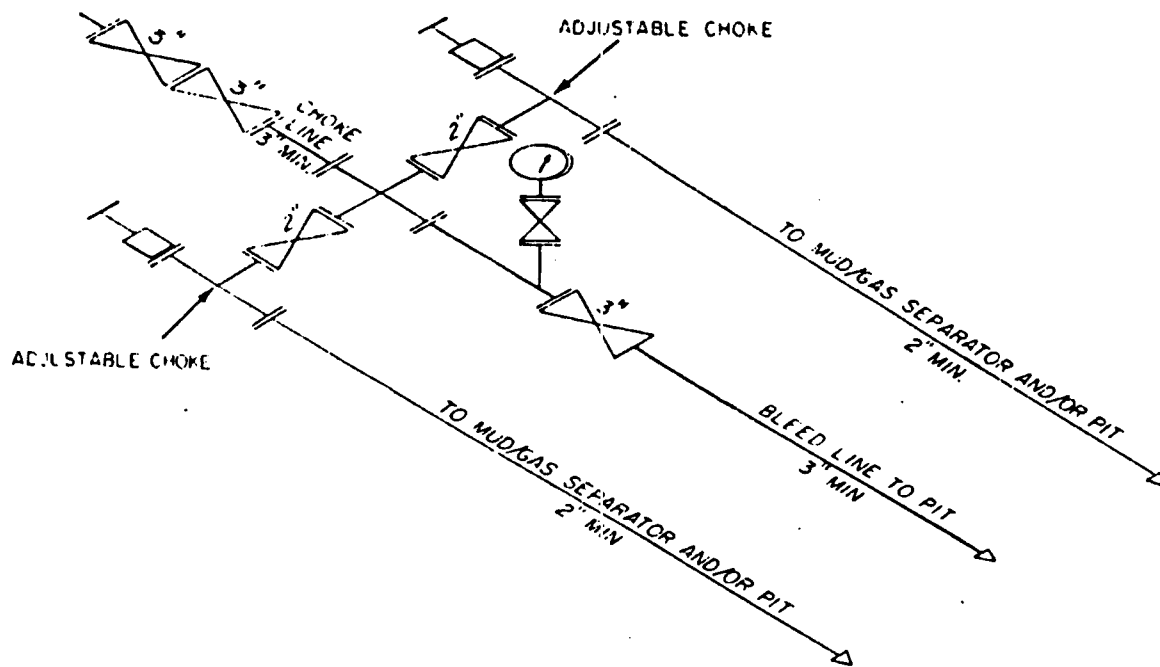


# BLOWOUT PREVENTION EQUIPMENT

3000 PSI W.P.



1. ANNULAR PREVENTER
2. DOUBLE RAM, PIPE AND BLIND RAMS WITH 2 SIDE OUTLETS FOR KILL AND CHOKE LINES, ALTERNATIVE WOULD BE TO USE DRILLING SPOOL WITH 2 SIDE OUTLETS. SPOOL WOULD BE INSTALLED BETWEEN RAMS OR BETWEEN CASING HEAD AND BLIND RAMS.



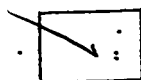
3M CHOKE MANIFOLD EQUIPMENT — CONFIGURATION MAY VARY

OPERATOR Coors Energy Company A-5090 DATE 4-4-91  
WELL NAME tidual 3-8 HB  
SEC 5W 8 T 75 R ONE COUNTY Mintah

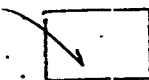
43-047-30163  
API NUMBER

tidual (1)  
TYPE OF LEASE

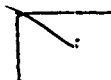
CHECK OFF:



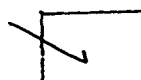
PLAT



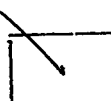
BOND



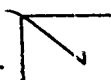
NEAREST  
WELL



LEASE



FIELD  
SLBM



POTASH OR  
OIL SHALE

PROCESSING COMMENTS:

One additional unit well in Sec 8.  
Water Permit 49-1491 (T105053)

APPROVAL LETTER:

SPACING:



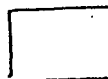
R615-2-3

1/A

UNIT



R615-3-2



1/A  
CAUSE NO. & DATE



R615-3-3

STIPULATIONS:

1. Oil shale
2. This well cannot be produced from the United  
Permit due to spacing orders as per Board Order  
Cause 145-2.



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter  
Governor

Dee C. Hansen  
Executive Director

Dianne R. Nielson, Ph.D.  
Division Director

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340

December 9, 1991

Coors Energy Company  
P.O. Box 467  
Golden, Colorado 80402

Gentlemen:

Re: Federal 3-8HB Well, 2078 feet from the north line, 593 feet from the west line, SW 1/4 NW 1/4, Section 8, Township 7 South, Range 22 East, Uintah County, Utah

Pursuant to Utah Admin. R. 615-3-2 and Utah Admin. R. 615-3-4, approval to drill the referenced well is hereby granted.

In addition, the following specific actions are necessary to fully comply with this approval:

1. Compliance with the requirements of Utah Admin. R. 615-1 et seq., Oil and Gas General Rules.
2. If Coors desires to complete and produce this well from the Uinta formation, prior approval is necessary in accordance with the Board of Oil, Gas and Mining order in Cause No. 145-2.
3. Notification within 24 hours after drilling operations commence.
4. Submittal of Entity Action Form, Form 6, within five working days following commencement of drilling operations and whenever a change in operations or interests necessitates an entity status change.
5. Submittal of the Report of Water Encountered During Drilling, Form 7.
6. Prompt notification prior to commencing operations, if necessary, to plug and abandon the well. Notify Frank R. Matthews, Petroleum Engineer, (Office) (801)538-5340, (Home) (801)476-8613, or R.J. Firth, Associate Director, (Home) (801)571-6068.

Page 2  
Coors Energy Company  
Federal 3-8HB Well  
December 9, 1991

7. Compliance with the requirements of Utah Admin. R. 615-3-20, Gas Flaring or Venting, if the well is completed for production.

Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site should be submitted to the local health department. These drilling operations and any subsequent well operations should be conducted in accordance with applicable state and local health department regulations. A list of local health departments and copies of applicable regulations are available from the Department of Environmental Quality, Division of Drinking Water/Sanitation, telephone (801)538-6159.

This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date. The API number assigned to this well is 43-047-32163.

Sincerely,

A handwritten signature in dark ink, appearing to read 'R.J. Firth', with a stylized flourish at the end.

R.J. Firth  
Associate Director, Oil and Gas

ldc  
Enclosures  
cc: Bureau of Land Management  
J.L. Thompson  
WO11

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE  
(Other instructions on  
reverse side)

Form approved.  
Budget Bureau No. 1004-0136  
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK			
1. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. UTU-67194	
2. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME ----	
3. NAME OF OPERATOR Coors Energy Company		7. UNIT AGREEMENT NAME ----	
4. ADDRESS OF OPERATOR PO Box 467, Golden, Colorado 80402		8. FARM OR LEASE NAME Federal	
9. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 2078' FNL, 593' FWL, SW/NW At proposed prod. zone same		9. WELL NO. 3-8HB	
10. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 17 miles south of Vernal, Utah		10. FIELD AND POOL, OR WILDCAT Wildcat	
11. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) 562'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 8, T7S-R22E	
12. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2900'		12. COUNTY OR PARISH Uintah	
13. NO. OF ACRES IN LEASE 1,256.26		13. STATE Utah	
14. PROPOSED DEPTH 6725'		14. NO. OF ACRES ASSIGNED TO THIS WELL 40	
15. ROTARY OR CABLE TOOLS rotary		15. APPROX. DATE WORK WILL START*	
16. ELEVATIONS (Show whether DF, RT, GR, etc.) 4956' GL			
16. PROPOSED CASING AND CEMENTING PROGRAM			
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
12-1/4"	8-5/8"	24.00#/K55 STC	350'
7-7/8"	5-1/2"	15.50#/K55 STC	6725'
		QUANTITY OF CEMENT	
		300 sks. approx.	
		1200 sks. approx.	

See Multipoint Use Plan and Drilling Program for details.

RECEIVED

JAN 29 1992

DIVISION OF  
OIL GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

23. SIGNED D.S. Sprague TITLE Manager - Engineering/Operations DATE 11/14/91  
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_  
APPROVED BY Tim Chiswell TITLE ASSISTANT DISTRICT MANAGER MINING DATE JAN 27 1992  
CONDITIONS OF APPROVAL, IF ANY: \_\_\_\_\_

NOTICE OF APPROVAL  
\*See Instructions On Reverse Side

CONDITIONS OF APPROVAL ATTACHED  
TO OPERATOR'S COPY

## **CONDITION OF APPROVAL**

The Interior Board of Land Appeals (IBLA) has ruled that the decision to approve an APD may be appealed under 43 CFR Part 4.21(a), by adversely affected parties. These appeal rights are further modified by 43 CFR Part 3165.3(b) which makes the decision, if contested, first subject to a State Director Review.

A Plan Conformance/NEPA Compliance Record has been completed on this Application for Permit to Drill (APD).

If the decision to approve the APD is contested under 43 CFR Part 3165.3(b), the operator will be immediately notified that no further action can be taken (unless otherwise directed by the authorized officer for protection of surface and subsurface resources) and cannot be resumed until the State Director has issued a decision on the Review. If the State Director rules favorably, the operator may be authorized to resume activities, but must recognize there is still the risk under 43 CFR Part 4.21(a) of an appeal to IBLA.

Any adversely affected party who contests a decision of the Authorized Officer may request an administrative review before the State Director. Such requests, including all supporting documentation, shall be filed with the appropriate State Director within twenty (20) business days from the date such decision was considered received. Upon request and showing good cause, an extension for submitting supporting data may be granted by the State Director. Requests for administrative review should be sent to: State Director, Bureau of Land Management, Utah State Office, P.O. Box 45155, Salt Lake City, Utah 84145-0155.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Company Coors Energy Company Well No. Federal 3-8HB

Location SWNW Section 8, T7S, R22E Lease No. U - 67194

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to Tim Ingwell of this office. Copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

The Vernal District Office shall be notified, at least 24 hours prior to initiating the pressure tests, in order to have a BLM representative on location during pressure testing.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

The Vernal District Office shall be notified at least 24 hours prior to the running and cementing of all casing strings, in order to have a BLM representative on location while running and cementing all casing strings.

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the base of the usable water, identified at  $\pm$  1971 ft.



4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

5. Coring, Logging and Testing Program

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

6. Notifications of Operations

The Vernal District Office shall be notified, during regular work hours (7:45 a.m.-4:30 p.m., Monday through Friday except holidays), at least 24 hours prior to spudding the well.

All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to.

7. Other Information

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried or anchored down from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced.

All measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, please contact one of the following individuals:

Gerald E. Kenczka (801) 781-1190  
Petroleum Engineer

Ed Forsman (801) 789-7077  
Petroleum Engineer

BLM FAX Machine (801) 789-3634

## EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spend solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

CONDITIONS OF APPROVAL FOR THE  
APPLICATION FOR PERMIT TO DRILL

Company/Operator Coors Energy Company

Well Name & Number 3-8HE3

Lease Number U-67194

Location SWNW Sec. 8 T. 7 S. R. 22 E.

Surface Ownership Federal

**NOTIFICATION REQUIREMENTS**

- |                       |   |   |
|-----------------------|---|---|
| Location Construction | - | at least forty-eight (48) hours prior to construction of location and access roads.   |
| Location Completion   | - | prior to moving on the drilling rig.  |
| Spud Notice           | - | at least twenty-four (24) hours prior to spudding the well.   |
| Casing String and     | - | at least twenty-four (24) hours prior to running Cementing casing and cementing all casing strings.   |
| BOP and Related       | - | at least twenty-four (24) hours prior to initiating Equipment Tests pressure tests.   |
| First Production      | - | within five (5) business days after new well begins Notice or production resumes after well has been off production for more than ninety (90) days. |

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five working days the AO will inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
- a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.

The operator will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.

Drilling rigs and/or equipment used during drilling operations on this wellsite will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

No construction or drilling activities shall be conducted between May 15 and June 20 because of crucial pronghorn habitat. This limitation does not apply to maintenance and operation of producing wells.

Two silt catchment dams and basins will be constructed according to BLM specifications approximately 800 ft. west of the location, and 800 feet southwest, one on the north side of the access road and the other on the south side.

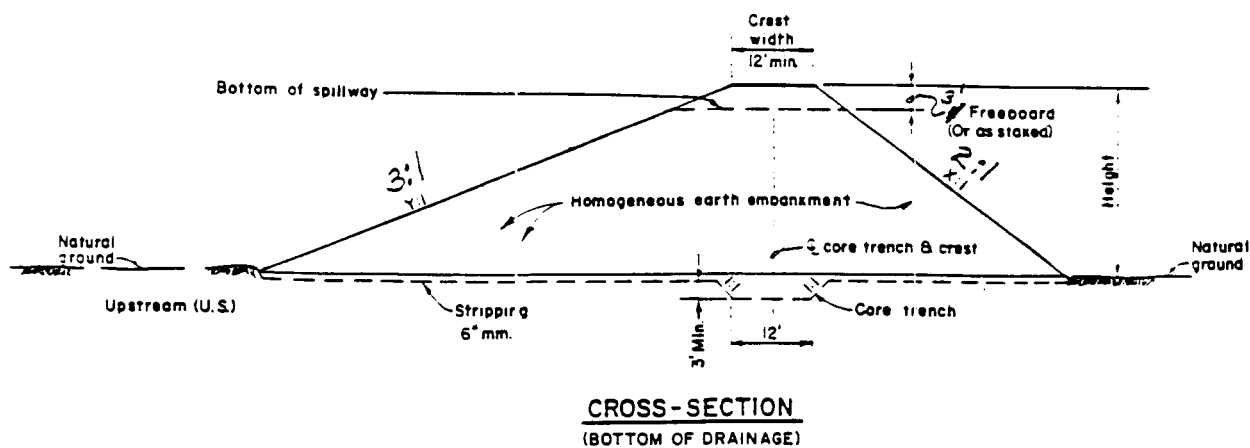
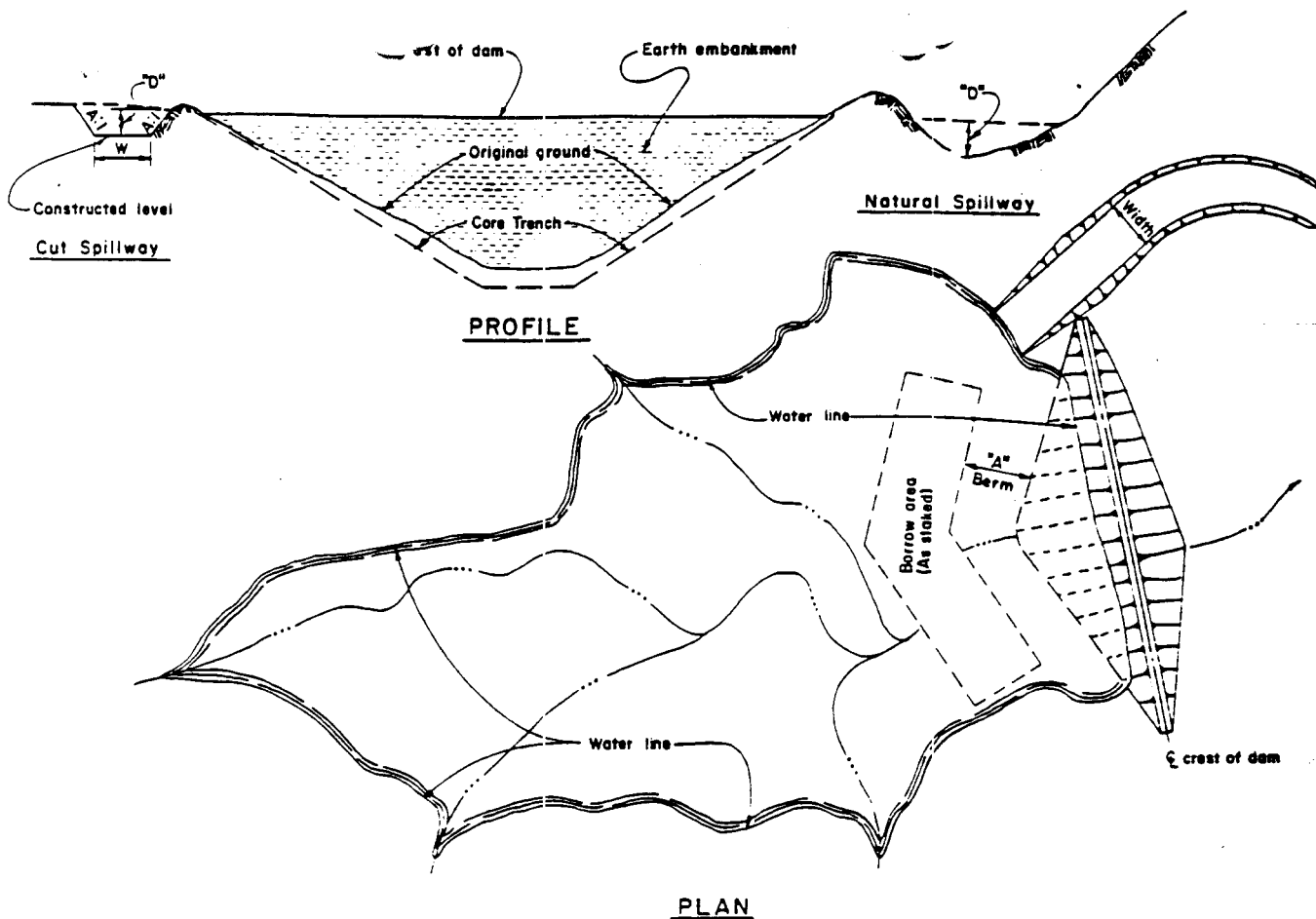
All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

A complete copy of the approved APD and ROW grant, if applicable, shall be on location during construction of the location and drilling activities.

The operator or his/her contractor shall contact the BLM Office at (801) 789-1362 forty-eight (48) hours prior to construction activities.

The BLM Office shall be notified upon site completion prior to moving on the drilling rig.



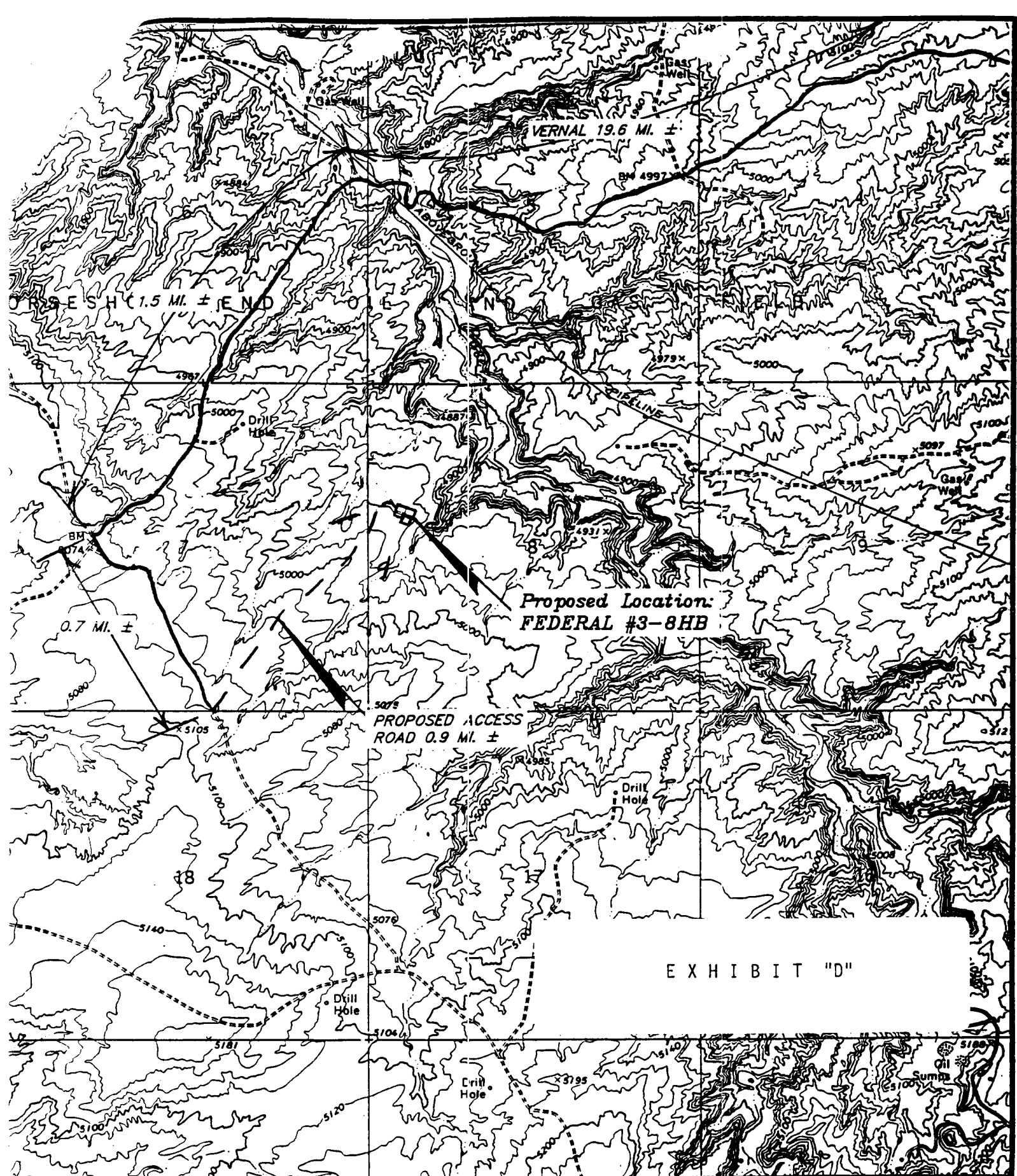


*2 Ponds as indicated*

**NOTES:**

1. Embankment slopes & dimensions shall be as shown on the Work Summary Chart
2. Cut spillway to be constructed where no adequate natural spillway exists

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT DIVISION OF ENGINEERING SYSTEMS DENVER SERVICE CENTER	
TYPICAL <b>MINOR RETENTION DAM</b>	
DESIGNED <i>Donald W. Twist</i>	
REVIEWED <i>J.D. Sedillo</i>	
APPROVED <i>Lincoln &amp; Co.</i>	
DRAWN P.W. Twist J.D. Sedillo	SCALE NONE
DATE MARCH 9, 1984	SHEET OF
DRAWING NO. 02294-2	



*Suggested sites for two ponds per*

*on site 10/31/91*

TOPOGRAPHIC  
MAP "B"

SCALE: 1" = 2000'  
DATE 10-22-91 R.E.H.



**COORS ENERGY CO.**

FEDERAL #3-8HB  
SECTION 8, T7S, R22E, S.L.B.&M.

Revised 10-31-91 R.E.H.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
RIGHT-OF-WAY GRANT/TEMPORARY USE PERMIT

SERIAL NUMBER UTU-65189

- 
1. A right-of-way is hereby granted pursuant to Title V of the Federal Land Policy and Management Act of 1976 (90 Stat. 2776; 43 U.S.C. 1761).
  2. Nature of Interest:
    - a. By this instrument, the holder:

Coors Energy Company  
Box 467  
Golden, Colorado 80401

receives a right to construct, operate, maintain, and terminate an access road to well #3-8HB, on public lands described as follows:

T 7 S., R 22 E., SLM, Utah  
Sec. 7, NE $\frac{1}{4}$ SE $\frac{1}{4}$ .
    - b. The right-of-way or permit area granted herein is 30' feet wide, 2,112 feet long and contains 1.45 acres, more or less.
    - c. This instrument shall terminate upon the expiration of oil and gas lease U-67194 or 30 years from its effective date unless, prior thereto, it is relinquished, abandoned, terminated, or modified pursuant to the terms and conditions of this instrument or of any applicable Federal law or regulation.
    - d. This instrument may be renewed. If renewed, the right-of-way or permit shall be subject to the regulations existing at the time of renewal and any other terms and conditions that the authorized officer deems necessary to protect the public interest.
    - e. Notwithstanding the expiration of this instrument or any renewal thereof, early relinquishment, abandonment, or termination, the provisions of this instrument, to the extent applicable, shall continue in effect and shall be binding on the holder, its successors, or assigns, until they have fully satisfied the obligations and/or liabilities accruing herein before or on account of the expiration, or prior termination, of the grant.



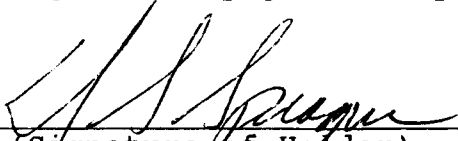
3. Rental:

For and in consideration of the rights granted, the holder agrees to pay the Bureau of Land Management fair market value rental as determined by the authorized officer unless specifically exempted from such payment by regulation. Provided, however, that the rental may be adjusted by the authorized officer, whenever necessary, to reflect changes in the fair market rental value as determined by the application of sound business management principles, and so far as practicable and feasible, in accordance with comparable commercial practices.

4. Terms and Conditions:

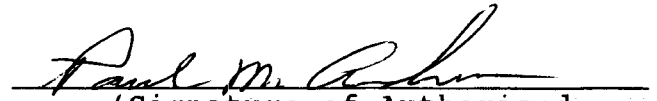
- a. This grant or permit is issued subject to the holder's compliance with all applicable regulations contained in Title 43 Code of Federal Regulations part 2800.
- b. Upon grant termination by the authorized officer, all improvements shall be removed from the Federal lands within 90 days, or otherwise disposed of as provided in paragraph (4)(c) or as directed by the authorized officer.
- c. The stipulations, plans, maps, or designs set forth in Exhibit "A", dated December 23, 1991, attached hereto, are incorporated into and made a part of this grant instrument as fully and effectively as if they were set forth herein in their entirety.
- d. Failure of the holder to comply with applicable law or any provision of this right-of-way grant or permit shall constitute grounds for suspension or termination thereof.
- e. The holder shall perform all operations in a good and workmanlike manner so as to ensure protection of the environment and the health and safety of the public.
- f. Boundary adjustments on oil and gas lease U-67194 shall automatically amend this right-of-way to include that portion of the facility no longer contained within the above described lease. In the event of an automatic amendment to this right-of-way grant, the prior on-lease conditions of approval of this facility will not be affected even though they would now apply to facilities outside of the lease as a result of a boundary adjustment. Rental fees, if appropriate, shall be recalculated based on the conditions of this grant and the regulations in effect at the time of an automatic amendment.
- g. No surface disturbing activities shall take place on the subject right-of-way until the associated APD is approved. The holder will adhere to any special stipulations identified in the conditions of approval relevant to any right-of-way facilities.

IN WITNESS WHEREOF, The undersigned agrees to the terms and conditions of this right-of-way grant or permit.

  
(Signature of Holder)

MBR ENGR & OPERATIONS  
(Title)

1-20-92  
(Date)

  
(Signature of Authorized Officer)

Book Cliffs Resource Area Manager  
(Title)

1-27-92  
(Effective Date of Grant)



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Vernal District Office  
170 South 500 East  
Vernal, Utah 84078



IN REPLY REFER TO:

Phone (801) 789-1362

FAX (801) 789-3634

3162  
UT08438

DEC 4 1992

Coors Energy Company  
Attn: Doug Sprague  
P.O. Box 467  
Golden, CO 80402

Re: Notification of Termination  
Well No. 3-8HB 43-047-32163  
Section 8, T7S, R22E  
Lease No. U-67194  
~~Duchesne~~ County, Utah  
Utah

Dear Mr. Sprague:

The Application for Permit to Drill the above-referenced well was approved on January 27, 1992. Lease No. U-67194 was terminated at midnight on August 1, 1992, and the approval of the referenced application terminated at the same time.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

**HOWARD B. CLEAVINGER II**

Howard B. Cleavinger II  
Assistant District Manager for Minerals

cc: State Div. OG&M

**RECEIVED**

DEC 14 1992

DIVISION OF  
OIL GAS & MINING



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter  
Governor

Dee C. Hansen  
Executive Director

Dianne R. Nielson, Ph.D.  
Division Director

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340

December 21, 1992

Mr. Doug Sprague  
Coors Energy Company  
P.O. Box 467  
Golden, Colorado 80402

Dear Mr. Sprague:

Re: Well No. Federal 3-8HB, Sec. 8, T. 7S, R. 22E, Uintah County, Utah  
API No. 43-047-32163

In concert with action taken by the U.S. Bureau of Land Management, approval to drill the above referenced well is hereby rescinded. A new Application for Permit to Drill must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,

Don Staley  
Administrative Manager  
Oil and Gas

DME/lde  
cc: R.J. Firth  
Bureau of Land Management - Vernal  
Well file  
WOI196